MULTIMEDIA UNIVERSITY STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2015/2016

BME3034 – INTERNATIONAL POLITICAL ECONOMY

(All sections / Groups)

3 MARCH 2016
2.30 p.m – 4.30 p.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of two pages with five questions only.
2. Attempt **FOUR** out of FIVE questions. All questions carry equal marks and the distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

a) Do you agree that economic growth and economic development are not the same? Define these two terms and explain your answer. (12 marks)

b) Can there be economic growth without development? Explain your answer based on any two (2) valid reasons. (13 marks)

(Total: 25 marks)

QUESTION 2

a) What are the reasons for globalization? Explain your answers based on any four (4) valid reasons. (15 marks)

b) Discuss the role played by Multinational Companies (MNCS) in the process of globalization (10 marks)

(Total: 25 marks)

QUESTION 3

"Today, agricultural subsidies and insurance cost the U.S. taxpayers about $20 billion annually, according to the U.S. Government Accountability Office. That support has come under great scrutiny in recent years, with opponents complaining that most of the money goes to millionaire farmers and giant agribusinesses, not small family farms seeking to stay afloat."

The above paragraph is taken from The *Wall Street Journal*, (2015, July 12th).
Refer to this paragraph to answer the following questions:

a) What is agricultural subsidy? Explain the effect of agricultural subsidy on a country's imports and exports. (10 marks)

b) Critically assess any three (3) competing views of advocates and opponents of agricultural subsidies. (15 marks)

(Total: 25 marks)

Continued...

QUESTION 4

a) The emergence of multinational corporations (MNCs) is due to globalization. Why MNCs are different from any national corporations operating in a country? Explain your answer with any three (3) valid reasons. (13 marks)

b) Examine one positive impact of MNCs on a host country (6 marks)

c) Examine one negative impact of MNCs on a host country. (6 marks)

(Total: 25 marks)

QUESTION 5

a) Examine the main function of the International Monetary Fund (IMF). (3 marks)

b) What is Special Drawing Right (SDR)? Justify the importance of SDR to the member countries of IMF? (7 marks)

c) It has been commented that the inclusion of Chinese Yuan in the SDR reflects the growing importance of Chinese economy. Do you agree with this comment? Explain your answer with three (3) valid reasons. (15 marks)

(Total: 25 marks)

End of Paper